

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 605 - HB 646

March 1, 2015

**SUMMARY OF BILL:** Creates the Community College Reconnect Grant (CCRG). Requires potential recipients to: not be ineligible for a scholarship under Tenn. Code Ann. § 49-4-904; have been a Tennessee resident for one year immediately preceding the date of application for the grant; not have been enrolled in or attended any postsecondary institution for at least 24 months prior to the date of initial enrollment in the CCRG program; have earned a minimum of 30 semester hours toward completion of an associate of applied science degree; file the Free Application for Student Aid by March 1 prior to the beginning of each academic year; be an independent student; apply for the CCRG by filling out the application by June 1 prior to the beginning of each academic year; for the 2016-2017 academic year, be admitted to and enroll in a public two-year postsecondary institution; and have an adjusted gross income that does not exceed \$36,000.

Sets forth requirements for students to maintain the CCRG. Establishes that if a student ceases to be eligible for the CCRG at any time for any reason, the student shall not be able to regain the grant. Authorizes a student to take an approved medical or personal leave of absence and to receive the grant upon resuming the student's education, provided that all other eligibility requirements are met. Authorizes CCRG recipients to transfer from one eligible public two-year postsecondary institution to another eligible public two-year postsecondary institution without loss of the grant, if other eligibility requirements are met. Authorizes a student to receive a CCRG until the occurrence of the first of the following events: the student has earned an associate of applied science degree; the student has attempted the total number of semester hours necessary for completion of the degree; or two years have passed since the initial date of enrollment as a CCRG student, exclusive of an approved leave of absence.

Prohibits the CCRG from exceeding the cost of tuition and mandatory fees at an eligible institution, less all other gift aid. Requires the Tennessee Student Assistance Corporation (TSAC) to award CCRGs on a first-come first-served basis and limits TSAC from expending more than \$1,500,000 of net lottery proceeds for the life of the program. Declares that only students who obtain a CCRG during the 2016-2017 academic year shall be eligible to receive the grant in future academic years. Requires the Office of Research and Education Accountability (OREA) within the Comptroller of the Treasury to review and study the CCRG program and to report its findings and conclusions to the Speakers of the House and Senate and the Education Committees of the General Assembly before December 31, 2017.

Specifies that "gift aid" under the Wilder-Naifeh Reconnect Grant program is financial aid received from a federal Pell grant, a Tennessee student assistance award, and any scholarship or grant funded from net lottery proceeds under the lottery-funded financial aid provisions.

## **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact** – There will be a one-time increase in state expenditures of \$1,500,000 from the Lottery for Education Account. This one-time increase in state expenditures will be spread over multiple fiscal years. The annual impact to the Lottery for Education Account is unknown and dependent upon the demand for the new scholarship program.

This funding will not be included in the annual statutory transfer of excess lottery funding from the Lottery for Education Account to the Tennessee Promise scholarship endowment fund.

The Governor's FY15-16 proposed budget recognizes a non-recurring increase in state expenditures from the Lottery for Education Account in the amount of \$1,500,000.

### **Assumptions:**

- Pursuant to the maximum funding provision established in the bill, there will be a one-time increase in state expenditures of \$1,500,000 from the Lottery for Education Account. The maximum funding amount will be expended over an unknown number of fiscal years.
- Any increase in state expenditures for OREA to review and study the CCRG program and make the required report is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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